

Two petitions—one from R. Narayana Pillai of Pathanamthitta, and the other from some inhabitants of Chengannur—regarding the Registration Bill, were reported to the Council, by whose direction the same were deferred for consideration along with the Select Committee's Report on the Bill.

Mr. Richardson, on behalf of the planters, thanked His Highness' Government for his appointment as a Member to represent the planting community. He also expressed his thankfulness for the honor conferred on him personally.

THE REVENUE RECOVERY REGULATION AMENDMENT BILL.

Mr. Ananda Row.—I beg to apply for leave to introduce a Bill to amend the Revenue Recovery Regulation, I of 1068.

Permission was granted accordingly.

THE CRIMINAL PROCEDURE CODE AMENDMENT BILL.

Mr. Ananda Row.—I also ask for leave to introduce a Bill to amend the Code of Criminal Procedure, Regulation V of 1067.

Permission was granted accordingly.

THE SALT BILL.

Mr. Subrahmanya Iyer.—With the permission of the Council, which I have already obtained, I beg to introduce a draft Regulation to consolidate and amend the law relating to the improvement and expansion of salt manufacture and the efficient collection of salt revenue in Travancore.

As required by the rules, the Bill, in Vernacular and in English, has been published in the Gazette. As mentioned in my Statement of Objects and Reasons, it will, when passed into law, supersede Regulation VII of 1063 by which Section 38 of an earlier Regulation (I of 1010) was repealed, so far as it related to salt.

The history of salt in Travancore being pretty well known, there is no need to refer to details at any length. But as this is the first time that a Salt Bill comes before the Legislative Council, the old Regulation having been passed before the Council came into existence, a very brief survey may not be out of place.

In addition to the present sea-side factories or alloms, salt used to be manufactured in Travancore, on the margin of the backwaters in the Trivandrum, Ambalapuzha, Kartigapally and Karunagapally taluks; and the wants of the people thus supplied. In all these factories, the cultivation of salt was at that time free and unrestricted and subject to but one fiscal regulation—namely, that the salt produced should be divided between the Government and the ryot in the same manner as the paddy grown on rice lands.

From the report of the Madras Salt Commission, we find that in the Madras Presidency too, the salt produce was divided between the Government and the manufacturers according to customary rates which appear to have varied from 18 to 88 per cent. Beyond this liability to payment, the production or manufacture and distribution or sale, of salt were as in Travancore, both free and unrestricted.

Between the years 1805 and 1807, the Madras Government introduced the monopoly system throughout the Presidency. The main principle of the monopoly system is, to use the words of the Salt Commission, "expressed in its name; the sale of salt except to Government is made illegal. But not only so; Government also reserves to itself the power of opening salt pans, and the manufacture of salt except for sale to Government is forbidden". Madras Regulation I of 1805, which is the law on which the monopoly is based, enacted in Section 4 that the shares to manufacturer and the hire to labourers were to be paid at the same rates as before, unless altered by mutual consent, but converted into money at the average selling price of salt at the pans; calculated on the five years preceding the date of the Regulation. I further provided for advances being made to the manufacturers to help and encourage production.

Before the establishment of the monopoly system in British India, there was to have been considerable discussion. But from want of available papers, we can only infer the grounds for placing salt manufacture under special regulation by monopolizing its sale. It was probably found that the earth salt prepared by the people was not all sufficiently pure, that taking over the right of sale would enhance public revenue, and that it would facilitate collection and ensure effective control, if the manufacture is brought under a licensed system of regulation. However, the selling price of salt under the monopoly in British India became seven times the intrinsic value and revenue rose from 20 lakhs in 1804-05 to 187 lakhs in 1874-75.

But all this affected Travancore. With the extensive land communication between Travancore and the Madras Districts and with the price of a necessary article of food much higher in the latter than in the former, the export of salt from Travancore naturally increased. And when in British India, the manufacture and sale of salt, except on account of Government, had been abolished, the export amounted to smuggling. But to the people who so manufactured and traded, it was but the harmless continuance of their old practice. It became difficult to get information about smuggling and smugglers; and as the Ag. Collector of Ganjam reported to his Government in 1872 "the whole country makes common cause against the Government in such a case. As for moral turpitude, that enters as little into their calculation as it would to an ordinary Englishman who does not class smuggling among the seven deadly sins.....Such manufacture was in accordance with their previous (normal) habits."

Mainly to prevent loss of revenue to the British Indian Government on account of cheap Travancore salt finding its way into their territory, the monopoly system was introduced into Travancore. This was in the year 988 M. E. (1813 A. D.) By a Proclamation signed by Col. Munro who was then both Resident and Dewan, "all manufacture by the ryots except on Government account, was prohibited, and all salt in the hands of the ryots and merchants and traders at the date of the Notification was required to be given up to the Sirkar within 20 days at a fixed price, on pain of a heavy penalty". The monopoly price was fixed and the necessary arrangements made for the superintendence of salt manufacture and for placing salt within easy reach of the people. Steps were also taken to import salt from abroad.

The next important event in the salt policy of the State was the Interportal Convention of 1040, corresponding to the English year 1865, under which the adoption of the British Indian selling price of salt was agreed to by this State. "As a result of this Convention," says the Salt Memorandum of Dewan Mr. Rama Aiyengar, "the salt pans on the banks of the backwaters in Central Travancore had to be closed. The produce of these pans, as has been already observed, was an inferior article; and the disparity in the selling price of this and other kinds was so great that to sell it at the same high price at which, under the Convention, the superior country article was sold, would have been a great injustice to the consumer."

Nothing noteworthy happened for a long period except that one of the factories, namely, Colachel, was closed for some time and afterwards reopened. But during all this period, the possibility of being able to restore home salt to its ancient position of supplier to the entire population seemed very remote.

A turning point in the history of salt manufacture was reached when a new factory was opened on private account and the manufacture of salt of the requisite quality undertaken by a company in South Travancore. 120 acres of land near the Thamarakulam old factory were applied for and granted by Government and work started in M. E. 1079. And I beg leave to say that, while Dewan Peishkar of the Southern Division, I had the privilege,—thanks to the then Salt Deputy Peishkar, Mr. Rama Row, who took a great interest in the matter—to preside at the opening ceremony. In this factory, I understand, an average total quantity of 86,323 maunds of good salt is now being manufactured. Government incur no loss except for a protective staff. Under the agreement with the manufacturers, Government have the right to purchase a stipulated quantity of salt on payment of a certain settled rate of *divaram* (cost price to the producer) and sell it to the public, as in the case of the old factories, or, to levy a duty at the time of issue, leaving the sale in the hands of the

producers. Although two more factories of this kind have since commenced manufacture—the new factory salt amounting to a total of 88,384 maunds in 1916—Government are, in the interests of the producers, retaining the responsibility of distribution in their own hands.

It is by no means agreed that the partiality shown in some quarters for Bombay salt in preference even to the best Travancore salt is based on the actual superiority of the preferred article and not on engrafted taste. Where intrinsic inferiority does not exist to relax the demands of self-dependence, there is no excuse for not pushing on home-salt to the fullest extent of its production. And until the partiality created by habit as against our home-produce works itself off, home-salt will not have a fair competition with the Bombay article and the work of salt distribution has, therefore, to continue under the control of Government.)

This state of affairs cannot of course go on indefinitely. But if it should safely end, the salt manufactured in the old factories must be improved to the level of the new factory salt. In these old factories, all but petty works connected with the actual manufacture are now undertaken by Government at their cost. Government have also undertaken to purchase all the salt so manufactured subject to certain standards of quality, at a fixed rate of *kudivaram* and to sell it as part of their (Government's) concern. During the pre-monopoly period, the salt manufacturer was responsible for getting a sale for the article he manufactured, though he was at the same time sufficiently compensated probably by the greater freedom of initiative enjoyed in manufacture, etc. But the freeing of the salt producer from the responsibility of finding buyers for his produce, which is the effect of the monopoly system, has apparently tended to demoralize him. He has now begun to care for quantity more than for quality. When questioned why he does not adopt better methods and improve the quality of his salt, he often pleads inability on account of low *kudivaram*, etc. Mr. N. Raman Pillai, the Excise Commissioner, tells me that experimental manufacture on improved methods carried out by his staff for two years in a few pans of all the old factories, leased from the pan-holders for the purpose, produced results strikingly superior to those usually obtained. There is, one should think, no excuse for this not being achieved in all the pans. Whether the omission to do so is due to inability or unwillingness on the part of the ryots has to be enquired into with reference to each case and the necessary remedies applied. For the present, it is proposed to take power to convert these monopoly factories into excise factories, *i. e.* factories, for the manufacture of salt for general sale. Such conversion will enable Government to leave the manufacturer to sell his salt himself as best as he can and to that extent take away the temptation to continue inferior production and to provide an incentive to turn out better results. Of course, under this system, all the *Marahmat* works hitherto done for them at Government cost will have to be undertaken by themselves. But in the case of the other new factories Government will have the right to take into their own hands the sale of the manufactured produce, whenever and as long as, they think it necessary to do so, for the legitimate protection and advancement of the home industry. The price to be paid by Government to the manufacturers will certainly be higher than now as a compensation for the cost and labour of attending to the necessary works themselves.

To enable this change of system being introduced into the old monopoly factories under legal sanction, and to place the old as well as the new ones under statutory regulation, in regard to the methods of manufacture, etc., and thus improve and expand the salt industry in the country, is the chief object of the proposed enactment Regulation VII of 1903, takes cognizance, it will be noted, only of factories working purely on the monopoly system. The realization of the object indicated must, however, be a gradual process.

In the pre-monopoly period, salt preparation of various kinds was the function of particular castes and large numbers of people lived on these industries, with encroaching on other fields of labour and without fear of being encroached upon their own labour by others, thus making the direct interference of Government

either for ensuring the purity of salt or for facilitating the collection of revenue, unnecessary. But we are now being forced along by the current of free selection in the matter of occupation. We do not recognise that the gospel of free selection is not quite in place in a society like the Indian where free selection has long ago done its work and heredity taken its place in the order of progressive evolution, and that this gospel began to be preached and practised only when, from various causes, the opportunities of the people for remunerative labour in their accustomed spheres became lessened. The result, however, has been that the salt manufacturers, in common with other industrial classes, have given up their traditional occupation and other occupational castes have taken to salt manufacture, and I may say in this connection that it is the endeavour of modern Census Statisticians to gauge and record this process at the end of each decennium. Just like the Upparas of the Ceded Districts, we have had our own hereditary salt workers called Allavans in South Travancore. Once a large and prosperous community, they numbered only 552 at the last population reckoning. But even from their hands, the manufacture of salt is gradually slipping; and where they are still engaged in that industry, the engagement is more as paid labourers than as independent proprietors. All these circumstances notwithstanding, the development of the salt resources of the State with the materials available has been steadily kept in view in all the policies and acts of Government; and with a special Department working hard to attain that consummation, there is no need to be unduly impatient.

Let us now examine the structure of the Bill.

The first chapter relates to definitions and the second deals with the appointment and control of officers.

Chapter III is the chapter that deals with the manufacture of salt. It is divided into three parts. The first is "General". The important provisions of this part are contained in Sections 12 to 16. As stated in my prefatory remarks, power is to be taken by Government to direct that any salt factory now worked only for the sale of salt to Government shall be worked for the general sale of salt, and that any factory or portion of a factory worked for the general sale of salt shall be worked for the sale of salt to Government. Safe-guards are also contained for preventing undue hardship to parties and compensation provided to be given in certain cases where licenses are relinquished or have to be cancelled. Part II relates to the manufacture of salt for sale to Government—the old monopoly system. Part III deals with the manufacture of salt for general sale—the excise system or partly for general sale and partly for sale to Government—the modified excise. The principles underlying the provisions of this chapter have been already explained. For the reason that "the term *monopoly* has a sinister association connected with it and is a complete misnomer as applicable to the manufacture of salt on account of Government," the Honorable Mr. Stokes substituted the expression "manufacture of salt on account of Government" in his Madras Salt Act. In the same way, the term "excise" was also given up as referring to salt, as it was becoming exclusively appropriated to the revenue from spirits and intoxicants, and the words "manufacture for general sale" suggested instead. Accepting these views, I have omitted the terms "monopoly" and "excise" from the Bill altogether.

Chapter IV is a fiscal chapter and regulates the duties and charges. It also deals with the removal and transport of salt.

Chapter V lays down the powers of public officers for the detection and punishment of offences against the Salt Law. It purports to place the Salt officers in the same position as the officers engaged in the administration of the Abkari revenue by Regulation IV of 1073, in the matter of search, arrest, &c.

The concluding chapters on penalties and general provisions do not contain anything worthy of special reference at this stage.

It is, I need hardly submit, the recognised aim of all sound legislation to reduce official control to the minimum compatible with efficiency and in revenue legislations of this kind, to ensure the responsible protection and encouragement of Government or the producing classes on whose continued prosperity depends the continued incoming of revenue to the State. The details of the provisions contained in the Bill

will in this light be closely examined by the Select Committee before they are brought up again for fuller consideration by the Council. I would add that this Bill has been drafted on the lines of the Madras Act, IV of 1889.

With these remarks, Sir, I beg to move that the Bill be read in Council, and its principle affirmed.

Seconded by Mr. Padmanabha Iyer.

Carried.

Mr. Subrahmanya Iyer then proposed that the Bill be referred to a Select Committee consisting of Messrs. Raman Pillai, Madhavan Tampi and the Mover, to report within two months.

Seconded by Mr. Ananda Row.

Carried.

It was also resolved that the Excise Commissioner be invited to be present at the deliberations of the Select Committee.

THE TOBACCO BILL.

Mr. Raman Pillai.—Permission has been granted to introduce the Tobacco Bill in the Council, and the draft Bill, with the Statement of Objects and Reasons, has been duly published in the Government Gazette, and copies thereof circulated among the Members. In introducing this Bill, I have very little to add to what I have already said in the Statement of Objects and Reasons. The most important deviation contemplated in the Bill, from the existing tobacco law, is the concession to the public to cultivate the tobacco plant, and I hope this deviation calls for no explanation or apology.

Another point to be noted is that, in offences against the tobacco law, the accused is required to prove his innocence, instead of the prosecution being called on to establish the guilt of the accused. This also requires no explanation, being a feature of many special laws of this kind, conceived in the interests of the public revenue.

The Bill also effects a slight alteration in the procedure in regard to prosecutions for offences against its provision, by making the charge-sheet presented by the Excise officer a sufficient basis for the commencement of proceedings. With these brief remarks, I beg to recommend that the principle of the Bill be affirmed.

Seconded by Mr. Vieyra.

Carried.

Mr. Raman Pillai then proposed that the Bill be referred to a Select Committee, consisting of Messrs Ananda Row, Sri Narayanan Tampi and the Mover, to report within two months, Mr. N. Raman Pillai, the Excise Commissioner, being requested to attend the meetings of the Select Committee.

The motion was put and agreed to.

THE HIGH COURT REGULATION AMENDMENT BILL.

Mr. Ananda Row.—Sir, the Bill is now before the Council for final reading. But, before moving that it be read again and passed, I have, on behalf of Government, to propose an amendment, in order to supply a verbal omission in Section 11 of the High Court Regulation. That Section, while it empowers a Division Bench of the High Court to hear and determine appeals from the decrees, orders, &c. of the District and Sessions Courts, makes no mention of appeals from the decision of the Munsiffs, in cases where such appeals lie direct to the High Court, under Section 16 of the Civil Courts Regulation, II of 1084. I therefore propose that the following be inserted as Section II of the Bill, the present Section II being numbered as III:—